



Finance Committee Briefing

August 2016 YTD Results

General Fund

Dayton City Commission Work Session

October 5, 2016



2016 General Fund Overview

1. Through August, revenues and other sources are below the estimate by \$1.3 million or 1.2% and have declined \$1.2 million or 1.1% compared to the same period in 2015.
2. Expenditures are \$4.8 million or 4.4% under budget and have declined \$1.1 million or 1% from the first eight months of 2015.
3. Overall, at the end of August, total sources exceed total uses by \$2.6 million, despite a decline in revenues.
4. August YTD Expenditure Budget reflects the first revised appropriation. The 2016 Revenue Budget will be revised as part of the 2017 Budget Process.



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(In millions, Does not Include Special Projects)

	2016 Original Budget	2016 Revised Budget	2016 YTD Budget	2016 YTD Actuals	Budget Variance	Budget Variance	2015 YTD Actuals	2016 YTD Actuals	'15-'16 \$ Chg.	'15-'16 % Chg.
Revenues & Other Sources										
Income Tax	109.4	109.4	74.5	73.9	(0.6)	-0.9%	73.2	73.9	0.7	0.9%
Property Taxes & Other Taxes	6.1	6.1	5.2	5.2	(0.0)	-0.5%	4.9	5.2	0.3	5.1%
Waste Collection	8.5	8.5	6.0	6.4	0.4	6.7%	6.4	6.4	0.0	0.3%
EMS Fees	4.9	4.9	3.2	3.0	(0.2)	-5.6%	3.4	3.0	(0.4)	-11.6%
Other Charges for Services	12.6	12.6	8.1	7.5	(0.7)	-8.3%	7.5	7.5	(0.1)	-1.0%
Local Government Fund	6.7	6.7	4.5	4.3	(0.2)	-3.6%	4.8	4.3	(0.5)	-10.2%
Other Intergovernmental	4.6	4.6	3.2	3.2	0.0	0.7%	2.9	3.2	0.3	10.1%
Fines and Forfeits	0.7	0.7	0.5	0.5	(0.0)	-9.1%	2.2	0.5	(1.7)	-78.3%
Licenses and Permits	1.7	1.7	1.1	1.1	0.0	0.8%	1.0	1.1	0.1	11.3%
Other Revenue	3.4	3.4	2.2	2.2	0.0	0.4%	2.1	2.2	0.1	2.8%
Total Sources	158.5	158.5	108.5	107.2	(1.3)	-1.2%	108.4	107.2	(1.2)	-1.1%
Use of Cash Reserve	1.5	2.8	0.0	0.0	0.0	N.A.	0.0	0.0	0.0	N.A.
27th Payroll	0.0	0.0	0.0	0.0	0.0	N.A.	0.0	0.0	0.0	N.A.
Total Sources & App. Fund Balance	160.0	161.3	108.5	107.2	(1.3)	-1.2%	108.4	107.2	(1.2)	-1.1%
Expenditures & Other Uses										
Personnel	116.9	116.4	76.2	74.6	1.6	2.1%	74.3	74.6	0.3	0.4%
Contracts, Materials & Other Uses	35.3	36.1	25.2	22.0	3.2	12.6%	24.0	22.0	(2.0)	-8.2%
Capital Equipment	2.5	2.5	1.7	1.7	0.0	2.4%	0.7	1.7	0.9	128%
Capital Improvements	1.6	2.6	2.6	2.6	0.0	0.0%	4.1	2.6	(1.6)	-38%
Development	2.8	2.8	2.8	2.8	0.0	0.0%	2.5	2.8	0.3	10%
Demolition	1.0	1.0	1.0	1.0	0.0	0.0%	0.0	1.0	1.0	N.A.
Total Uses	160.0	161.3	109.4	104.6	4.8	4.4%	105.7	104.6	(1.1)	-1.0%
Excess/(Shortfall) of Sources Over Uses	0.0	0.0	(0.9)	2.6			2.8	2.6		

Notes Regarding Management Statement

Notes:

1. Amounts may not sum due to rounding.
2. Does not include special projects, which are reported separately.
3. 2016 Budget includes adopted budget only and does not include prior year's encumbrances.
4. Actuals include expenditures against current year appropriation as well as prior year's appropriation (encumbrances) that carried forward.
5. Other Sources includes interest earnings and operating transfers in.
6. Other Uses includes debt service and miscellaneous operating transfers out.
7. 2015 Income Tax collections include \$312,700 in JEDD distributions that spanned multiple years.



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2016 Year To Date Tracking

2016 Cash Investments

Capital Projects – Original	\$1.55 M
Capital Projects– Revised	1.00 M
Development	2.75 M
Demolition	1.00 M
Sub-total	\$6.30 M
Dept. Capital Equipment	2.50 M
Total Investments	\$8.80 M

	% Change over Prior Year							
	Jan YTD	Feb YTD	Mar YTD	Apr YTD	May YTD	Jun YTD	Jul YTD	Aug YTD
Income Tax	21.3%	6.0%	2.3%	4.2%	3.9%	1.7%	2.1%	0.9%
Total Revenue & Other Sources	4.4%	6.2%	-1.8%	-1.5%	1.7%	-0.3%	0.2%	-1.1%
Personnel	-14.9%	-7.8%	-4.1%	1.0%	-1.0%	-0.8%	-0.1%	0.4%
Total Expenditures & Other Uses	-18.9%	-16.4%	-7.7%	-1.4%	-1.4%	-1.0%	-2.2%	-1.0%
Revenue & Other Sources over Exp & Other Uses	0.9	3.4	2.7	(0.2)	3.9	4.1	3.1	2.6

2016 Monthly Tracking

Extra Friday Income Tax Collections of \$1.5 M

April is the Largest Collection Month for the Year

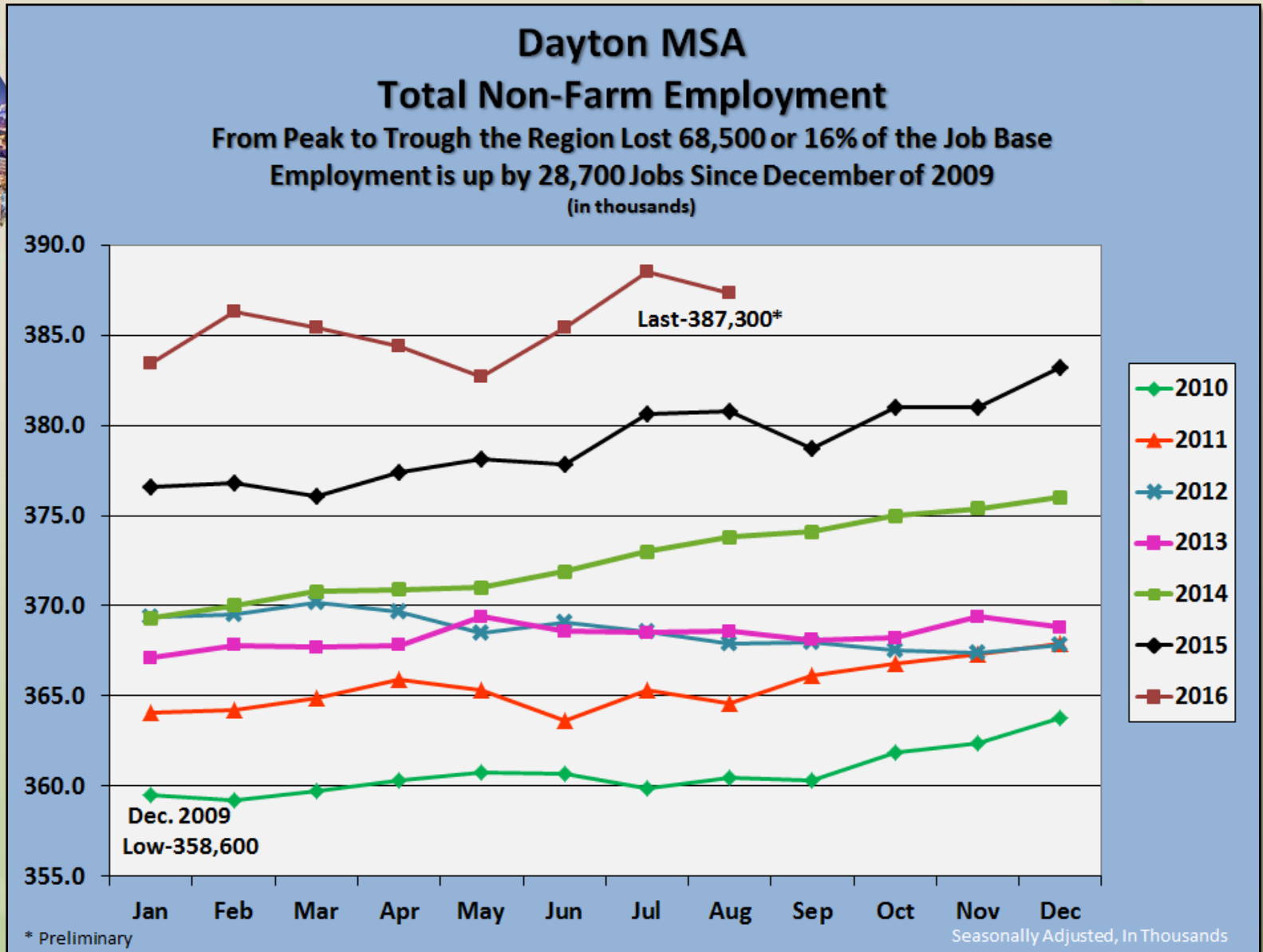
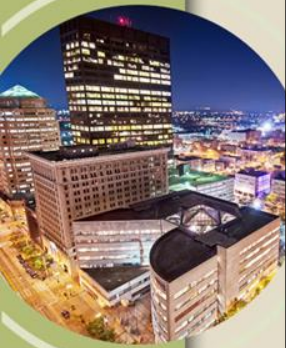
Extra Friday Income Tax Collections

Sources and Uses by Month									
	Jan MTD	Feb MTD	Mar MTD	Apr MTD	May MTD	Jun MTD	Jul MTD	Aug MTD	Aug YTD
Sources	13.9	13.1	12.1	16.3	14.8	11.7	14.0	11.2	107.2
Uses	13.0	10.7	12.7	19.2	10.7	11.5	15.0	11.7	104.6
Monthly Excess/(Shortfall)	0.9	2.4	(0.6)	(2.9)	4.1	0.3	(1.0)	(0.5)	2.6

Includes annual Health Savings Account Expenditure of \$2.5 M

Includes annual investment transfers of \$5.4 M





2016 General Fund Revenues

- Income Tax collections are 1% short of the estimate and have increased just under 1% or \$700,000 compared to the same period last year.
 1. Withholding collections are up 2.4% or \$1.5 million, representing an equivalent number of pay-periods compared to the same time in 2015.
 2. The tax on business profits has declined 5.2%, or \$410,000, attributable to corporations, while partnership profits are flat.
 3. The tax paid by individuals has gained \$54,400 or 1.6% compared to the first eight months of 2015.
 4. Refunds increased significantly in August and are now up almost \$200,000 or 11.7% compared to the same time last year.



2016 General Fund Revenues

- Property Taxes and Other Tax revenues are at the YTD estimate and are \$300,000 or 5% higher than the same period in 2015.
 1. The second half settlement has been received and will be reported at our September Finance Briefing.
 2. The 2016 estimate is 1.8% growth. Actual values came in flat due to the Board of Revisions changes.
 3. The Hotel/Motel Tax is down about \$16,000 or 4% from 2015.



2016 General Fund Revenues

- Waste Collection Fees are \$400,000 or 7% ahead of the budget and even with collections last year.
- EMS Fees are under the estimate by \$200,000 or 6%, representing 12% less in collections than 2015, due to one less month of posted revenue.
 - In 2015, 13 months of billings were recorded (which included one month that should have been recorded in 2016).
- Other Charges for Services through August are \$700,000 or 8% under the YTD estimate and are flat compared to last year.
 - Year over year, Municipal Court Charges and Contracted Police Services are lower while Convention Center Charges are \$185,700 higher than the previous year.



2016 General Fund Revenues

- Local Government Fund (LGF) receipts are 4% or \$200,000 below the YTD estimate and are 10% or \$500,000 lower than the same period in 2015.
 1. The direct allocation to municipalities has declined \$357,700 or 57% reflecting the state's "redirects" from municipalities to townships/villages. Additionally, the County Undivided portion is down \$135,000.
 2. The State revised its LGF calendar estimate downward by 1.8% for the last 6 months of 2016. The decrease to Dayton is estimated at \$110,700.
- Other Intergovernmental revenues through August are at budget and have climbed \$300,000 or 10% compared to the same period in 2015.
 - The 10% increase reflects a racino payment that was due in 2015, but was received in January of 2016.



2016 General Fund Revenues

- Fines & Forfeits are under the estimate by \$47,000 and are substantially less than 2015 (down \$1.7 million), due to the elimination of public safety photo enforcement.
- Licenses & Permits and Other Revenues are at YTD budget levels.
 - Building Permits continue their strong performance, up \$85,800 or 23% compared to first eight months of 2015.



2016 General Fund Expenditures

- Personnel Costs are under the YTD revised budget by 2.1% or \$1.6 million, and reflect one less payroll in 2016 compared to the same period in 2015.
 1. The YTD budget has been adjusted for the payroll timing issues.
 2. Year over year, after adjusting for timing issues, personnel costs are up 4% (or \$2.8 million over the same period in 2015) reflecting growth in wages plus the IAFF retro pay.
 3. The average number of employees in the General and Street Maintenance Funds increased by 11 positions or 1%, from 1,193 to 1,204.



2016 General Fund Expenditures

- Contracts, Materials & Other Uses are 13% under the revised budget or \$3.2 million, in part, due to timing issues. Year over year, expenditures are down \$2.0 million.
 1. Management contracts are down \$696,000 primarily due to the elimination of the expenditures related to photo enforcement.
 2. Fleet Charges are down \$427,000 as high maintenance equipment is removed from service.
 3. Public service contracts are down \$173,000 due to a change in the Crime Lab contract in which we pay monthly rather than the entire annual amount early in the year.
 4. Gasoline and diesel fuel costs are down \$310,000.
 5. Land and building rentals are down \$143,000 due to timing of payments (from annual to monthly).



2017 Budget Planning



1. Budget allocations for each Program Area have been developed based on the priorities of the City Commission and the Policy-Budget framework.
 - Police budget will include a larger than normal class early in 2017 (plan is for 32 recruits).
 - Fire budget will include 21 recruits also starting in early 2017 as well as funding for the annual radio fees as the new system is expected to go live in the latter part of 2016.
 - Current plan calls for an increase in capital project funding (cash capital) from \$1.6 to \$2.75 million.
2. Departments are currently preparing their 2017 budgets and program objectives.
3. We met with the Revenue Advisors to review and receive feedback on the 2017 General Fund Revenue Forecast.



2017 Budget Planning

4. Departments have been asked to further refine their program objectives and performance measures (work in progress).
5. Separate supplemental budgets are being developed that support the services and investments outlined in the Income Tax ballot proposal.
6. Program objectives that relate to the supplemental budget will be added to various departments' work programs.



Date (Weds.)	Time	Community Service Area	2017 City Manager's Recommended Budget Topics/Departments Included
11.9.16	9:30 – 11:30AM	2017 Budget Overview	Community Service Area Overviews, Revenue Estimates, Expenditure Overview (incl. Cap. Equip.)
11.16.16	3:30 – 5:30PM	Economic and Community Development	Economic Development, Convention Center, Planning & Comm. Development, Recreation & Youth Services, Aviation
11.23.16	9:30 – 11:30AM	Justice	Police, Law (Prosecutor), Planning & Comm. Dev., Human Relations Council, Courts
11.30.16	3:30 – 5:30PM	Building and Environmental Safety	Fire, Economic Development (Building Inspection), PCD (Housing Inspection), Public Works (Waste Collection), Water (Environmental Protection)
12.7.16	3:30 – 5:30PM	Infrastructure	Water, Pubic Works (Street Maintenance, Engineering), Capital Projects (including debt position), Water, Recreation & Youth Services
12.14.16	9:30 – 11:30AM	Corporate Services, Governance	Finance, Central Services, Civil Service, Public Works, OMB, Public Affairs, Law
12.21.16	3:30 – 5:30PM	Wrap Up	Wrap Up, 2017 Citizen Input process, financial policy updates and accomplishments in early 2017
12.28.16	9:30 – 11:30AM	Back Up	Adoption of Budget Resolution

Today's Key Takeaways

1. Revenue growth has slowed and in August turned negative while expenditures remain under budget.
2. We continue to have significant, unmet infrastructure needs and a long-term structural challenge.
3. The State's elimination of TPPT/PU reimbursements will reduce our ability to issue debt. We continue to be susceptible to State actions that negatively impact the budgets of local governments.
4. 2017 Budget development is underway and work sessions will begin November 9th.

